



Seale & Associates

EDUCATIONAL SERVICES
Q4 2023
VALUATION UPDATE

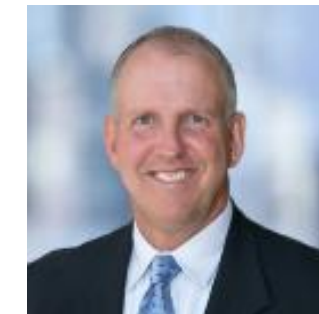
Introduction

We are pleased to share our Educational Services Industry Multiples Valuation Update for Q4 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Educational services Industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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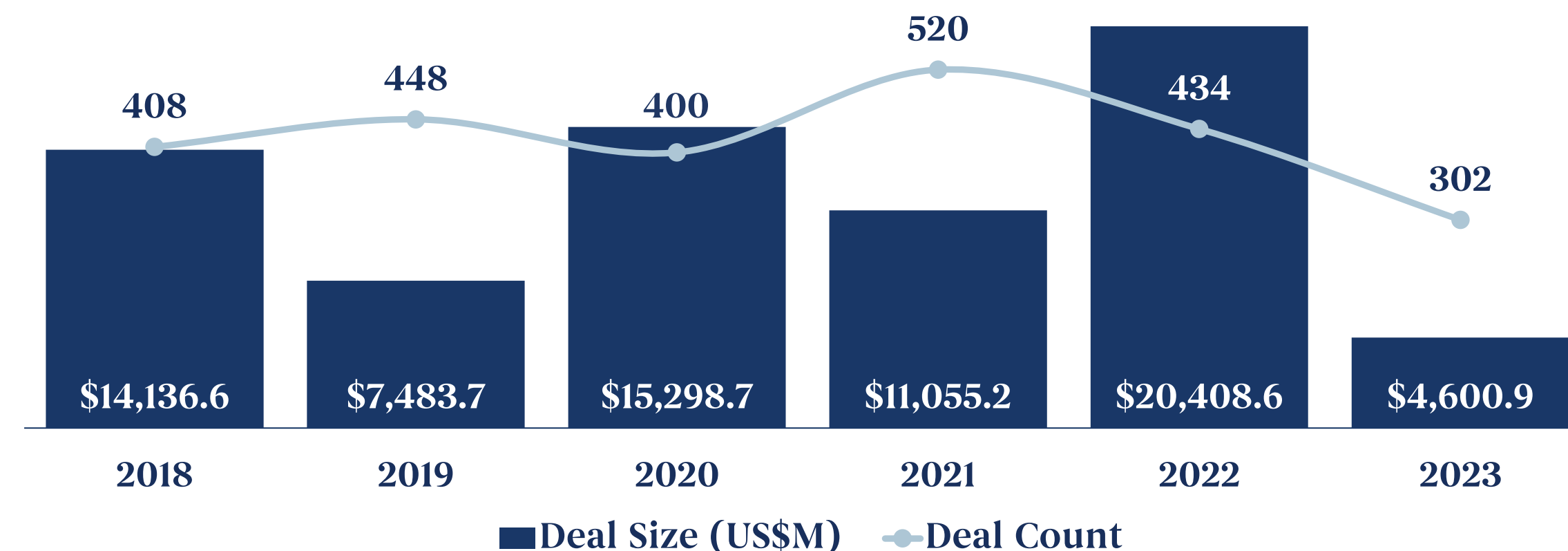
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Educational Services Overview, M&A Trends and Market Intelligence

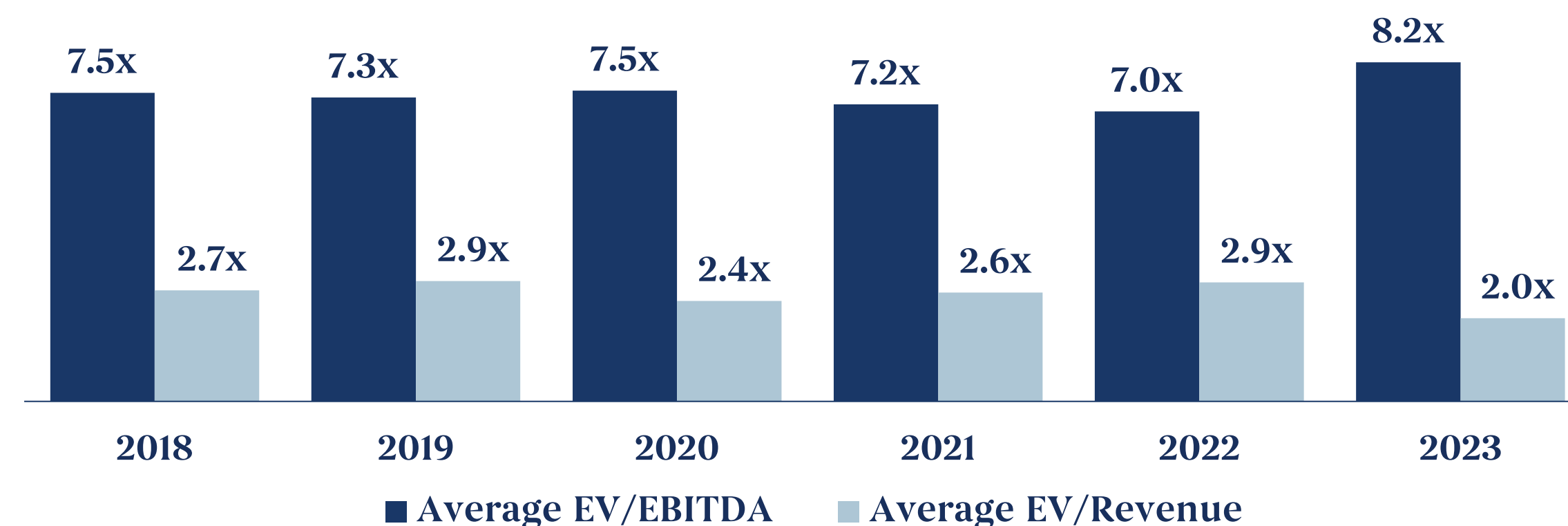
Educational Services Overview

- The Educational Services market maintained its upward trend in Q4 2023, with a **CAGR** of **7.8%** from **2023** to **2024**. This expansion is propelled by various factors including increased demand for education, the trend towards digitalization, and the necessity for upskilling.
- Online education continued to experience strong growth, fueled by convenience and flexibility. Corporate training saw increased demand due to changing skills requirements and talent shortages. Vocational and technical schools remained in high demand for practical skill development.
- **Asia-Pacific was the largest region in the educational services market in 2023**, followed by Western Europe.
- Another key trend is the **growing popularity of artificial intelligence (AI) and machine learning (ML)** in higher education learning systems. AI and ML are being used to develop personalized learning experiences, predict student performance, and automate administrative tasks
- As the global economy becomes more knowledge-based, there is a growing demand for workers with higher levels of education and training.
- M&A within the industry remained active, indicating consolidation and competition for market share.

Educational Services Industry M&A Deal Size and Volume









Educational Services Industry M&A Average EV/EBITDA and EV/Revenue







Educational Institutions Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/	
						2021	2022	EBITDA	Revenue
AcadeMedia AB (publ)	 SWE	\$543	\$1,648	\$1,616	20.3%	6.0x	5.3x	5.0x	1.0x
Adtalem Global Education Inc.	 USA	\$2,348	\$2,977	\$1,496	22.1%	8.8x	7.7x	9.0x	2.0x
American Public Education, Inc.	 USA	\$172	\$289	\$600	8.2%	6.8x	6.7x	5.8x	0.5x
Ânima Holding S.A.	 BRA	\$347	\$1,266	\$757	26.8%	13.2x	7.8x	6.2x	1.7x
Grand Canyon Education, Inc.	 USA	\$3,903	\$3,845	\$941	30.4%	13.1x	9.2x	13.4x	4.1x
Laureate Education, Inc.	 USA	\$2,158	\$2,551	\$1,421	31.0%	9.4x	5.4x	5.8x	1.8x
Perdoceo Education Corporation	 USA	\$1,153	\$587	\$738	26.8%	2.4x	1.9x	3.0x	0.8x
Ser Educacional S.A.	 BRA	\$208	\$491	\$369	16.2%	5.5x	4.7x	8.2x	1.3x
Strategic Education, Inc.	 USA	\$2,233	\$2,240	\$1,100	13.6%	6.9x	7.1x	15.0x	2.0x
Yduqs Participações S.A.	 BRA	\$1,345	\$2,206	\$1,034	23.3%	10.4x	6.8x	9.1x	2.1x
					Mean	7.0x	5.9x	6.5x	1.5x
					Median	7.9x	6.8x	7.2x	1.7x



















Tutoring and Exam Preparation Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Digital Daesung Co., Ltd.	 KOR	\$118	\$112	\$161	18.4%	7.4x	5.1x	3.8x	0.7x	
Graham Holdings Company	 USA	\$3,165	\$3,623	\$4,312	14.3%	6.0x	6.0x	5.9x	0.8x	
Pearson plc	 GBR	\$8,556	\$9,943	\$5,008	15.4%	13.0x	12.8x	12.9x	2.0x	
Riso Kyoiku Co., Ltd.	 JPN	\$248	\$205	\$227	9.0%	25.5x	14.0x	10.0x	0.9x	
Stride, Inc.	 USA	\$2,510	\$2,677	\$1,939	14.0%	9.2x	8.6x	9.9x	1.4x	
Vasta Platform Limited	 BRA	\$363	\$522	\$296	19.5%	30.7x	24.7x	9.0x	1.8x	
						Mean	8.9x	9.3x	7.7x	1.3x
						Median	11.1x	10.7x	9.5x	1.1x

Online Courses Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
2U, Inc.		USA	\$101	\$1,044	\$926	12.0%	NM	54.9x	9.4x	1.1x
Coursera, Inc.		USA	\$2,955	\$2,242	\$636	NM	NM	NM	NM	3.5x
Duolingo, Inc.		USA	\$9,531	\$8,855	\$484	NM	NM	NM	NM	18.3x
Udemy, Inc.		USA	\$2,259	\$1,788	\$705	NM	NM	NM	NM	2.5x
NM: Not Measurable						Mean	NM	54.9x	9.4x	2.4x
						Median	NM	54.9x	9.4x	3.0x

Educational Services- Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		MEX	Offers education from kindergarten to high school		-	100.0%	-	-	-
Dec-23		USA	Offers education from kindergarten to high school		-	100.0%	-	-	-
Dec-23		CHE	Offers bilingual education from nursery to secondary levels		-	100.0%	-	-	-
Nov-23		USA	Offers associates, undergraduate, graduate, and postgraduate campus programs		-	100.0%	-	-	-
Nov-23		USA	Offers undergraduate, graduate programs		-	100.0%	-	-	-
Oct-23		ITA	Offers a bilingual English-Italian educational program for children		-	100.0%	-	-	-
Oct-23		USA	Offers health education services		-	100.0%	-	-	-
Oct-23		GBR	Offers academy programs, distance e-learning, training, and higher education courses		-	100.0%	-	-	-
Oct-23		CHL	Assets of Colegio Sebastián Elcano de San Bernardo comprises an educational institution	Higher Academia Inc.	-	100.0%	-	-	-
Oct-23	31 centres of G8 Education Limited	AUS	31 centres of G8 Education Limited comprises education centers	TAK Operations Pty Ltd		100.0%	-	-	-

Selected Transactions Commentary



"We are very pleased to welcome the IMA to our network. Together, we will continue to make a positive impact in Veracruz, enriching the community through social, cultural and educational contributions."

Emilio Malpica, CEO of Merited



"Schiller International University has a great history of creating value through its presence on two continents across the Atlantic. Since we are committed to widening the access to education, having Schiller in our fold will help us extend the same international experience and global perspective to students in newer geographies."

Vishwajeet Rana, CEO of Gedu



"At MLA College, we believe that investing in education and life-long learning will help prepare individuals, teams, and businesses for an evolving global economy. We represent and believe in true education beyond borders."



Basak Akdemir, CEO of MLA College



"Offering programs in both traditional health sciences and integrative health is unique and will position NDMU as one of the nation's most distinctive leaders in healthcare education. With the demand for all health professions expected to increase over the next decade, this opportunity to add integrative health programs ensures that NDMU will continue to educate innovative healthcare leaders and caregivers."

Marylou Yam, President of Notre Dame of Maryland University

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Educational Services <i>NAICS 611 – Educational Services</i>	2018-2023	\$43.3M	\$28.4M	12.0%	2.5x	31.4%	7.6x	21
 Educational Support Services <i>NAICS – Educational Support Services</i>	2018-2023	\$37.4M	\$34.6M	8.8%	2.1x	27.5%	7.4x	8

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

GRUPO EDUCATIVO IEJV

TARGET

Grupo Educativo IEJV

TRANSACTION TYPE

Divestiture advisory

INDUSTRIES

Education

GEOGRAPHY

San Luis Potosi, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the shareholders of Grupo Educativo Instituto Educativo Jose Vasconcelos (“IEJV”) in the divestiture of its business, which comprises two secondary schools and a higher education institution with more than 4,300 students.

SEALE & ASSOCIATES’ APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for Grupo Educativo IEJV. Seale’s disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in the sale of Grupo Educativo IEJV’s business to Nacer Global, a leading Mexican conglomerate with interests in education and the media, whose educational network is comprised by more than 250,000 students, over 7,000 teachers, 14 brands, and 82 higher education institutions.

“Achieved incredible recognition in the market due to their high-quality education”



“Grupo IEJV is one of the main educational institutions in San Luis Potosi and has achieved incredible recognition in the market due to their high-quality education and their accessible tuitions.”

Sergio Garcia del Bosque
Managing Director, Seale & Associates

ANNE SULLIVAN

TARGET
Anne Sullivan

TRANSACTION TYPE
Divestiture advisory

INDUSTRIES
Education

GEOGRAPHY
Mexico City, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to the shareholders of Anne Sullivan in the divestiture of its business to Discovery Americas through its educational platform Merited, which invests in schools throughout the Mexican Republic.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for Anne Sullivan. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in a partnership and a few years later turned out to be a successful acquisition of Anne Sullivan by Discovery Americas, which is a leading Mexican private equity fund that invests in education, health financial services, transport and logistics sectors.

“I would not hesitate for a moment to work with them again”



“For us, the sale of the school was a complex issue, both financially and emotionally. Thanks to the seriousness and professionalism of the team at Seale, we were able to have the required support to make reasonable decisions. This, and the overall quality of guidance throughout the process, confirmed that we had made the right decision.

Without the support and empathy that they showed along the way, the result would not have been optimal. I would not hesitate for a moment to work with them again.”

Carlos Barron
Owner, Anne Sullivan

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Transaction analysis and market trends

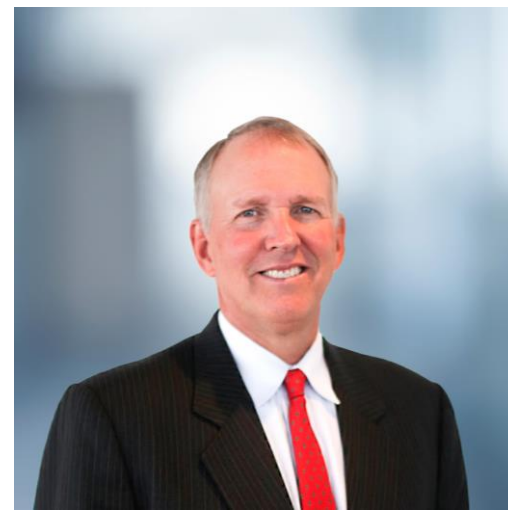
Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

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Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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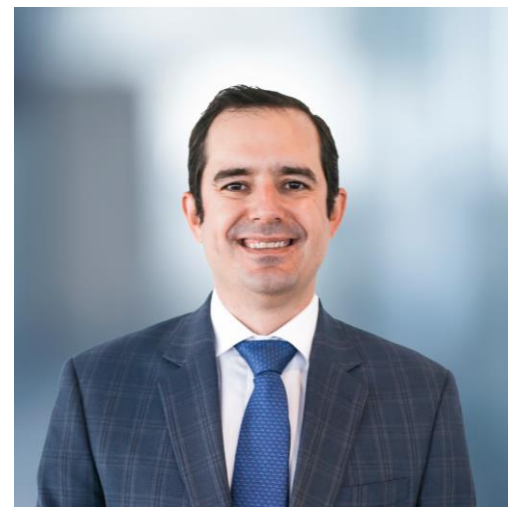


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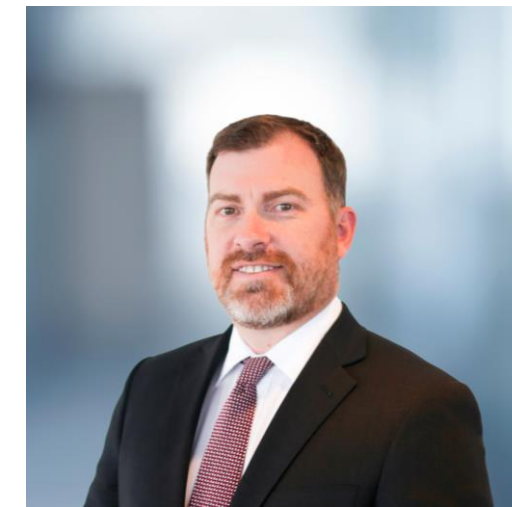


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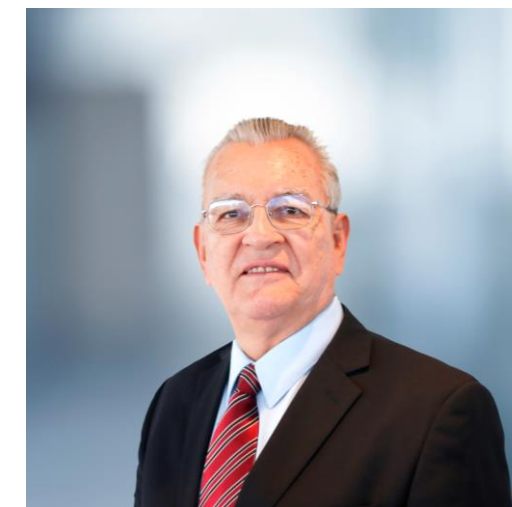


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

YEARS OF EXPERIENCE

\$50B+

TRANSACTIONS GLOBALLY

SERVICES AND SOLUTIONS

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Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



Seale & Associates

Creative Solutions. Trusted Advice.